

PRAIRIE DEVELOPMENT CORPORATION

COLORADO'S CENTRAL PLAINS



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PRAIRIE DEVELOPMENT CORPORATION BOARD MEETING MINUTES June 20, 2018

Call to Order

Chairman Ed Rarick called the June 20, 2018, Prairie Development Corporation Board meeting to order at 6:41PM held at Limon's TA Truck Stop – Country Pride Restaurant. Members attending, in addition to Ed Rarick, were: Steve Burgess, Rol Hudler, Robert Safranek, Dorothy Stone, Grant Thayer and Marilyn Ward. Candace Payne, PDC Administrator, also attended. Jerry Allen and Niccie Tanner were not able to attend.

Introductions

Introductions were made at the beginning of Loan Committee at 5:00PM and no changes were made to the attendee's list. Marilyn Ward was warmly welcomed back and a thank-you note for the flowers gifted during her illness was shared with the board.

Approval of Minutes of March 28, 2018

The Minutes of the March 28, 2018, meeting were reviewed. Rol Hudler made the motion to approve the Minutes as presented. Robert Safranek seconded the motion, which passed unanimously.

Financial Report

The March and April of 2018 Advanced Classified Balance Sheets Reports were provided to the board and subsequently reviewed. The March checks for \$34,560.05 and April checks for \$253,301.95 were reviewed. Candace explained the April checks included the housing loan disbursed for Stratton Area Foundation which would be repaid with the Division of Housing funds in three installments. Other check purposes included loans made, audit fees, proprietary software annual fees, attorney fees and typical monthly expenses. After reviewing the checks and the account balances, Steve Burgess made a motion to ratify the bills and approve the financial reports for filing. Dorothy Stone seconded the motion, which passed unanimously. Due to anticipated loan payoffs soon, Candace explained we were in the market for purchasing an investment CD now. She had spoken to Chairman Rarick when unexpected loan payoffs and payments were made recently. If all the anticipated loan payoffs come in from foreclosure, home sales, and regular loan payments, another CD purchase may be needed to avoid bank fees for a balance exceeding the FDIC insurance limit.

Business Loan Recommendations

Loan Committee recommended approval of the Lincoln County business mini loan #20180514 for ratification. The \$3,000 loan to a trucking company carries the terms of 12 monthly payments of \$258.96 at 6% fixed interest with no collateral. Rol Hudler made a motion to ratify this loan as recommended by Loan Committee. Marilyn Ward seconded the motion. A unanimous ballot was cast in favor of the motion.

Housing Recommendations

There were no housing loan applications to approve or ratify at this meeting. Candace will research the FHA down payment assistance approved lender criteria as directed by Loan Committee as calls have been received this year in this area.

Harvest Heights Housing

The Stratton housing project has completed construction and rental applications are being accepted from agricultural workers for the twelve units. Two units were staged by a local furniture store for the ribbon cutting ceremony with funders. Most of the furniture was sold instead of being returned to the store. The official public open house was held May 31 and had a good attendance. Candace reported Stratton Area Foundation plans to pay back \$11,000 by June 30th and only the final \$1,000

would remain on the loan to Stratton Area Foundation. That final amount would be paid in July once reports are to USDA and the state.

Statewide Collaborative BLF

The statewide collaborative business loan fund is available now until September for approximately \$40,000 in our area. Once those funds are expended to two or more borrowers, PDC could request the high demand category funds. Candace reminded the board that these funds may be used for “character” loans which could include construction and higher risk clients for various loan purposes with terms of eight years or less carrying little to no collateral. The fixed interest rate is tied to Wall Street Journal Prime plus up to 2%. A partnership with local lenders is allowed but not required Candace stated. Candace encouraged the board to refer businesses to apply for these less restrictive funds. Other regions have made loans to industrial hemp businesses using these funds, but we have not had any inquiries to date for this type of venture. Candace will send the state’s industrial hemp growers registration website link via email to the board where one may see who is registered in each county to grow hemp.

Potential Loan Activity

Candace updated the board on recent calls and inquiries on loan programs which included business loans that could be funded through Revolved or CDBG monies totaling up to \$420,000. The borrowers do not have applications submitted as most are working on their business plans with SBDC staff and need a primary lender to do the larger portion of the request. The inquiries include over 40 jobs, new or retained, in the area. Housing loans also have some activity as summer season causes roof repairs and property improvements. Three inquiries have surfaced for down payment assistance in two counties. If an interim Loan Committee meeting is needed for approval, Candace was instructed to alert the chairman to call a teleconference.

Candace stated over 300 business addresses in our database have been used to send brochures about Enterprise Zone credits and PDC’s loan programs. One hundred sixty letters to businesses and to twenty-six realtors have been mailed talking about our loans and EZ. Research in the Enterprise Zone portal shows 104 businesses in our region claim EZ tax credits so letters along with EZ brochures have been mailed to 96 businesses who may be unfamiliar with the benefits of EZ. There are another 272 that we know of who could be reached before year end about EZ. The goal is to show our purpose, develop leads for loans and increase EZ claimed credits as part of our mission.

SBDC Update

Jennifer Negley of the Greeley SBDC has conducted one-on-one counseling sessions in Burlington since April. Jenn has referred two clients to PDC for potential loan funding both of whom need to finish their plans. The June 18 SBDC workshop was offered in English and Spanish with five participants learning “how to start a business.” One Spanish speaking attendee will continue to work with Jesse Esparza from the Greeley area to complete their business plan as Jenn does not speak Spanish. Jesse is a business counselor in the western area of Greeley. Another workshop is planned for July 16 in Burlington as a lunch-n-learn at the Burlington Activities Center on Instagram for business marketing. Business plan writing continues to be a great need for clients to obtain loans from PDC and banks, so Jenn is focusing attention on developing those projections and their narratives. More workshops are planned for the fall.

128 Colorado Ave Property Update

Candace stated new lease agreements have been signed by the apartment tenants in May. The new leases state the use or sale of marijuana is not allowed on the premises by the tenants or guests.

Apprenticeship/Scholarship Program

Candace reported on the assignment from the last meeting regarding credit score training for (future) borrowers. Candace polled a few local bankers and they stated the training was needed in high school, if not sooner, since many borrowers have poor credit when they seek bank loans after college. The negative credit file effects their ability to borrow funds for business development.

Discussion resumed on the tradesmen/craftsmen jobs that need the next generation or additional apprentices. Suggested ideas encompassed finding mentors or apprenticeships, developing a scholarship program of \$1,000 per county for tradesmen/craftsmen programs, and working with the community colleges like Lamar, Otero, Northeastern, and Northwest Kansas to build or grow our own employees and businesses. The board agreed this initiative could help across all four counties and bring stability to high demand trade skill positions. Candace will seek input from the colleges on what scholarships and apprenticeships are available and what PDC might support or create to improve.

Other

Next meeting

The next meeting is scheduled for August 22, 2018 in Limon at TA Truck Stop. The September meeting is schedule for the 26th as a teleconference as Candace will be in Alamosa for business loan fund meetings.

Adjournment

Chairman Ed Rarick adjourned the meeting at 7:56PM when no further discussion was brought forth.